

FINACIAL ADMINISTRATION

**FUNDING FOR  
FIRST AND  
SECOND  
DESTINATION  
TRANSPORTATION  
UNDER THE  
APPROPRIATION  
“OPERATION  
AND  
MAINTENANCE,  
ARMY”**

Headquarters  
Department of the Army  
Washington, DC  
15 December 1982

**UNCLASSIFIED**

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# ***SUMMARY of CHANGE***

AR 37-7

FUNDING FOR FIRST AND SECOND DESTINATION TRANSPORTATION UNDER THE APPROPRIATION  
"OPERATION AND MAINTENANCE, ARMY"

This Change 1--

- o The effective date of the regulation and is necessary to have the effective date coincide with the beginning of the fiscal year.

This revision--

- o Updates the guidance and responsibilities for funding transportation to first and second destinations.
- o Local limited supplementation of this regulation is permitted but is not required. If supplements are issued, HQDA agencies and major Army commands will furnish one copy of each to DA CA-RUE, WASH DC 20310; other commands will furnish one copy of each to the next higher headquarters.

**FINACIAL ADMINISTRATION**

**FUNDING FOR FIRST AND SECOND DESTINATION TRANSPORTATION UNDER THE  
APPROPRIATION "OPERATION AND MAINTENANCE, ARMY"**

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By Order of the Secretary of the Army:

**E. C. MEYER**  
*General, United States Army*  
*Chief of Staff*

Official:

**ROBERT M. JOYCE**  
*Major General, United States Army*  
*The Adjutant General*

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**History.** This publication has been reorganized to make it compatible with the

Army electronic publishing database. No content has been changed.

**Summary.** This changes the effective date of the regulation and is necessary to have the effective date coincide with the beginning of the fiscal year.

**Applicability.** See para 2.

**Proponent and exception authority.** The proponent agency of this regulation is the Office of the Comptroller of the Army. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) direct to Commander, United States Army Finance and Accounting Center, ATTN: DACA-BUE-B, Indianapolis, IN 46259.

**Army management control process.**

Interim changes to this regulation are not official unless they are authenticated by The Adjutant General. Users will destroy interim changes on their expiration dates unless sooner superseded or rescinded.

**Supplementation.** Not Applicable.

**Suggested Improvements.** Not Applicable.

**Distribution.** To be distributed in accordance with DA Form 12-9A requirements for AR Financial Administration.

*Active Army—C*  
*ARNG—D*  
*USAR—D*

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\*This regulation supersedes AR 37-7, 28 February 1969.

**RESERVED**

## 1. Purpose

This regulation provides guidance and responsibilities for funding movements chargeable to first destination transportation (FDT) and second destination transportation (SDT) under the Operation and Maintenance, Army (OMA) appropriation.

## 2. Applicability

- a. This regulation applies to OMA funded transportation of Army supplies and equipment for the Active Army.
- b. This regulation does not apply to the Army National Guard and the US Army Reserve.

## 3. References

Required and related publications are listed in appendix A

## 4. Explanation of abbreviations and terms

Abbreviations and special terms used in this regulation are explained in the glossary.

## 5. Responsibilities

a. *Comptroller of the Army (COA)*. The COA, as Appropriation Director, has DA Staff responsibility for the funding of Army first and second destination transportation under the OMA appropriation.

b. *Director, Operations and Maintenance, Army (DOMA)*. The DOMA will—

- (1) Provide financial management for the appropriation.
- (2) Issue the funding authorization documents at subprogram level to major Army commands (MACOMs).

c. *Commander, United States Army Finance and Accounting Center (USAFAC)*. The Commander, USAFAC will issue transportation service orders to the industrially funded Transportation Operation Agencies.

d. *Deputy Chief of Staff for Logistics (DCSLOG)*. The DCSLOG will act as the functional proponent for all Army first and second destination transportation under the OMA appropriation. This will include policy guidance to the Army Staff and to the field.

(1) The DCSLOG, as Program Manager, will recommend distribution of funding by command to finance first and second destination transportation .

(2) Based on MACOM input, DCSLOG will—

- (a) Forecast and budget for overocean SDT requirements for long-range cargo movements
- (b) Develop estimated SDT obligations from short-range cargo forecasts and other sources.

e. *The Adjutant General (TAG)*. TAG will coordinate with and inform the DCSLOG on programmed mail workload to and from the continental United States (CONUS).

f. *Commanders of MACOMs*. MACOM commanders are allocated funds at subprogram level (such as Program 7S), and have reprogramming authority between program elements within the subprogram.

## 6. Concept of operation

a. Commands, agencies, and activities of the DA will budget for their transportation mission under AR 37-100-XX, OMA Program Elements 728009 (FDT), 728010 (SDT), and 728013 (Overseas Port Units).

b. No single command, agency, or activity initiating movements is funded for an entire overocean movement, EXCEPT for 'thru bill of lading' movements. Every shipper, even though not financially responsible for an entire move,

c. DA transportation consists of one or more of the following components of the Defense Transportation System:

- (1) CONUS line haul.
- (2) CONUS port handling.
- (3) Overocean by airlift and sealift.
- (4) Overseas port handling.
- (5) Overseas inland line haul.

## **7. Transportation costs included in FDT (Program Element 728009)**

- a.* FDT includes the transportation costs for—
- (1) Flying new production aircraft from origin to first use or acceptance location. These costs include—
    - (a) Temporary duty (TDY) of air crews from duty station to production location and return to duty station from delivery location.
    - (b) Supplies, minor repairs, and fuel required during delivery.
    - (c) Contractual costs such as tiedown or layover at a commercial facility.
  - (2) Shipment(s) which may be interrupted for test or modification before acceptance. This includes—
    - (a) Both the transportation from point of origin to a temporary location for completion of acceptance testing.
    - (b) Application or modifications and assembly.
    - (c) Subsequent transportation of the materiel, in a form ready for use, to the first acceptance, receipt, or storage point.
  - (3) The movement of commissary merchandise purchased overseas to overseas resale stores or overseas storage points (except those in Alaska or Hawaii).
  - (4) Base commercial equipment purchased by Other Procurement, Army when the contract price does not include transportation.
- b.* FDT excludes—
- (1) Transportation cost paid by a vendor as prescribed by a procurement contract.
  - (2) Transportation of materiel procured with stock funds, except as authorized in a(3) above.
  - (3) Transportation costs to move industrial plant equipment. Also included are tools and equipment, costing \$3,000 or more, that are used for depot maintenance, storage, and demilitarization.
  - (4) Transportation costs for the Military Assistance Program (MAP), International Military Education Training (IMET) Program, and foreign military sales (FMS).

## **8. Transportation costs included in SDT (Program Element 728010)**

- a.* SDT includes the transportation costs for—
- (1) Army Post Office mail.
  - (2) Transportation of organizational equipment and impedimenta of table of organization and equipment (TOE) and table of distribution and allowances (TDA) military units 01) permanent change of station (PCS). This includes aircraft; redistribution costs, such as petroleum, oils, and lubricants; and TDY of flight crew.
  - (3) TDY and incidental costs for flyaway of Army aircraft to and from depot maintenance.
  - (4) Over water transportation of Army sponsored civilian employees on PCS and their dependents.
  - (5) Contractual charter, rental, or lease of transportation equipment and services not available on a tariff basis when used for other than administrative purposes.
  - (6) Reimbursements to Military Airlift Command (MAC) and Military Sealift Command (MSC) Industrial Fund for transportation services.
  - (7) Reimbursements to Military Traffic Management Command (MTMC) Army Industrial Fund (AIF) for transshipment of cargo through CONUS AIF operated water ports and terminals .
  - (8) Other transportation related activities and activities directed by Presidential order.
  - (9) Army and Air Force Exchange Service (AAFES) materiel to and from Army and Air Force overseas organizations.
- b.* SDT excludes—
- (1) All line haul transportation of materiel funded by Army and Defense Stock Fund within CONUS.
  - (2) Transportation and CONUS port handling of household goods, baggage, and privately-owned vehicles and military personnel.
  - (3) Transportation costs to move industrial plant equipment, and tools and equipment used for depot maintenance, storage, and demilitarization.
  - (4) Transportation of items being tested, along with supporting supplies and equipment, from a research and development activity or installation to a test site or test board.
  - (5) Transportation costs for the MAP, IMET, and FMS.
  - (6) Shipment of materiel from an installation or using activity to a commercial vendor for repair and return.
  - (7) Special funded projects such as special training or joint exercises.

## 9. Budgeting and funding

a. The following transportation requirements will be budgeted and funded as indicated:

(1) The activity directing the shipment of the following types of materiel will budget and fund for CONUS line haul transportation:

(a) Lateral redistribution of materiel between commands.

(b) Displaced systems, excess unserviceable repairables, and automatic returns of procurement appropriation items shipped on basis of instructions from a supply management activity.

(c) Transportation of materiel to support all testing (developmental and user testing) to the designated point and return. If materiel is shipped to other points before it is returned to stock, transportation will be at the responsible tester's expense. (See AR 70-10, chap 4.)

(2) DCSLOG budgets and USAFAC is funded for—

(a) Overocean transportation of all cargo by air (MAC) or sea (MSC) and for the trans-shipment of cargo through MTMC industrially funded CONUS water terminals.

(b) Overocean transportation of Army civilian personnel, their dependents, and their personal property in conjunction with a PCS. All other related travel costs due to PCS will be funded by the gaining or losing command.

(3) The US Army Materiel Development and Readiness Command will budget and fund for transportation of—

(a) Hard targets under AR 710-10.

(b) CONUS line haul of retrograde Procurement of Ammunition, Army cargo, including empty containers from port of debarkation (POD) to final destination.

(4) MTMC will budget and fund for common user land transportation in Okinawa.

(5) Emergency situations as defined by the President or Congress. Special funding instructions will be issued by the COA. Special transportation account codes under military standard transportation and movement procedures may be required and issued.

b. Oversea commands will budget and fund for line haul charges regardless of the command or agency directing shipment. This includes the line haul of goods originating in CONUS for the AAFES from POD to first destination.

c. All commands, agencies, and activities of DA will budget and fund for transportation requirements not listed in a and b above. This includes, but is not limited to—

(1) Redistribution of station or installation property because of mission or functional realignment.

(2) Shipment of station property, including that belonging to Army industrial funded installations, to commercial vendors for maintenance or modification when such costs are not covered in the contract.

(3) Materiel sent to or acquired from Defense Logistics Agency property disposal points.

(4) Total costs of commercial transportation of freight or cargo between CONUS and oversea areas on a 'thru bill of lading' via a combination of land, air, and sea transportation.

(5) The CONUS line haul portion of organizational equipment and impedimenta of TOEI TDA units on PCS.

(6) Movement of records and bulk documents to holding areas.

(7) CONUS intra-command line haul regardless of who directs shipment.

(8) Transportation costs for disposal of radioactive materiel.

(9) Intra-command transportation of commissary merchandise from one commissary store or storage point to another commissary store.



## **Appendix A REFERENCES**

### **Section I Required Publications**

#### **AR 37-100-XX**

Army Management Structure (Cited in paragraph 6)

### **Section II Related Publications**

#### **AR 37-23**

Financing Costs of Transportation of AAFES Materiel To and From Army and Air Force Oversea Organization (AFR 172-15)

#### **AR 37-26**

Accounting and Reporting for Travel and Transportation Furnished by Military Airlift Command (MAC)

#### **AR 37-80**

Financing, Funding, Accounting, and Reporting for Military Sales To Eligible Foreign Governments and International Organizations

#### **AR 55-1**

CONEX/MILVAN Equipment Control, Utilization, and Reporting (AFR 71-10)

#### **AR 55-255**

Military Traffic Management Regulation (NAVSUPINST 4600.70; AFM 75-2; MCO P4600.14A; DLAR 4500.3)

#### **AR 70-6**

Management of the Army Research, Development, Test, and Evaluation Appropriation

#### **AR 70-10**

Test and Evaluation During Development and Acquisition of Materiel

#### **AR 385-11**

Ionizing Radiation Protection (Licensing, Control, Transportation, Disposal, and Radiation Safety)

#### **AR 700-43**

Defense Industrial Plant Equipment Center Operations (DSAM 4215.1; NAVSUP Pub 5009; AFM 78-9)

#### **AR 700-90**

Army Industrial Preparedness Program

#### **AR 710-10**

Hard Targets for Testing and Range Use (RCS CSGLD-1783)

### **Section III Prescribed Forms**

This section contains no entries.

### **Section IV Referenced Forms**

This section contains no entries.

## **Glossary**

### **Section I Abbreviations**

#### **AAFES**

Army and Air Force Exchange Service

#### **AIF**

Army Industrial Fund

#### **COA**

Comptroller of the Army

#### **CONUS**

Continental United States

#### **DCSLOG**

Deputy Chief of Staff for Logistics

#### **DOMA**

Director, Operations and Maintenance, Army

#### **FDT**

First destination transportation

#### **FMS**

Foreign military sales

#### **IMET**

International Military Education Training

#### **MAC**

Military Airlift Command

#### **MACOM**

major Army command

#### **MAP**

Military Assistance Program

#### **MSC**

Military Sealift Command

#### **MTMC**

Military Traffic Management Command

#### **OMA**

Operation and Maintenance, Army

#### **PCS**

Permanent change of station

#### **POD**

Port of debarkation

#### **SDT**

Second destination transportation

#### **TAG**

The Adjutant General

**TDA**

Table of distribution and allowances

**TDY**

Temporary duty

**TOE**

Table of organization and equipment

**USAFAC**

United States Army Finance and Accounting Center

**Section II****Terms****Continental United States (CONUS)**

The contiguous 48 states.

**First destination transportation (FDT), Program Element 728009**

The movement and cost of movement of property other than stock fund from free on board (f.o.b.) point of origin to the point at which the materiel, in the form required for use, is first received for use or storage.

**Second destination transportation (SDT), Program Element 728010**

The movement and cost of movement of property from first destination point to subsequent points.

**Thru bill of lading**

One bill of lading, issued to the initial carrier, that provides for the movement of cargo from origin to destination through a combination of transportation modes. For cost purposes, the through bill is charged as one shipment (FDT or SDT).

**Section III****Special Abbreviations and Terms**

This section contains no entries.

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